

**Introduced by Senator Battin**

January 14, 2005

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An act to amend Section 11011.18 of, and to add Title 15.7 (commencing with Section 97500) to, the Government Code, relating to state property.

LEGISLATIVE COUNSEL'S DIGEST

SB 99, as amended, Battin. State real property: ~~California Commission on Asset Review and Divestiture Commission.~~

(1) Existing law requires the Department of Transportation to furnish to the Department of General Services, and annually update, a record of each parcel of real property that it possesses, including lands, buildings, office buildings, maintenance stations, equipment yards, and parking facilities. Existing highways, airspace, excess lands, and properties acquired for highway projects are exempted from this requirement.

This bill would delete the exemption for excess lands and properties acquired for highway projects.

(2) Existing law requires each state agency, and the University of California, to report to the Department of General Services, and annually update, a record of each parcel of real property it possesses, and requires the department to maintain a complete and accurate statewide inventory of all real property held by the state.

This bill would establish the Commission on Asset Review and Divestiture in state government, to consist of a specified membership, with staff support to be provided by the Director of General Services. It would require the commission to review the statewide inventory of real property prepared by the Department of General Services, including the record of real property possessed by the Department of

Transportation, according to specified criteria, and to report its findings, along with recommendations as to property to be divested, to the Legislature and to the Department of General Services, and to the Regents of the University of California with respect to real property owned by, or under the jurisdiction or held for the benefit of, the university. It would require the department, notwithstanding any other provision of law, to divest the real property pursuant to the recommendations of the commission, except with respect to property owned by, or under the jurisdiction or held for the benefit of, the University of California.

(3) Existing law establishes the Fiscal Recovery Fund in the State Treasury, and continuously appropriates moneys in the fund in an amount that will equal sums necessary to repay the principal and interest on, and various costs associated with, bonds issued for the purpose of paying the accumulated State Budget deficit, until the Director of Finance notifies specified entities that certain conditions have been met.

This bill would state the intent of the Legislature that the proceeds of any sale or other divestiture under this bill of property funded from any source subject to statutory or constitutional restriction; be subject to that same restriction. It would also state the intent of the Legislature that proceeds of any sale or other divestiture of property funded from any General Fund source not subject to statutory or constitutional restriction, be deposited into the Fiscal Recovery Fund for payment on the bonds and associated costs, and upon the notification by the Director of Finance described above, be deposited in the General Fund.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares the
- 2 following:
- 3 (a) A significant portfolio of properties that do not fit within
- 4 the core mission of state government exists on the state property
- 5 inventory prepared pursuant to Sections 11011.15 and 11011.18
- 6 of the Government Code. As a result, state resources, manpower,
- 7 and strategic focus are directed away from higher priority
- 8 quality-of-life activities.

1 (b) In order to enable state government to focus on  
2 core-mission activities and ensure that the state holds only the  
3 property necessary to support these activities, California needs a  
4 mechanism similar to the federal Base Realignment and Closure  
5 (BRAC) process, that addresses the process challenges and that  
6 can overcome political hurdles.

7 (c) Therefore, it is the intent of the Legislature to enact  
8 legislation to establish an independent commission to review and  
9 recommend state property for divestiture.

10 SEC. 2. Section 11011.18 of the Government Code is  
11 amended to read:

12 11011.18. The Department of Transportation, by July 1,  
13 2002, shall furnish to the Department of General Services a  
14 record of each parcel of real property that it possesses, including  
15 lands, buildings, office buildings, maintenance stations,  
16 equipment yards, and parking facilities. This requirement does  
17 not apply to existing highways and airspace. The record shall be  
18 furnished by the Department of Transportation to the Department  
19 of General Services in a uniform format specified by the  
20 Department of General Services. The Department of General  
21 Services shall consult with the Department of Transportation on  
22 the development of the uniform format. The Department of  
23 Transportation shall update its record of these real property  
24 holdings, reflecting any changes, by July 1 of each year. The  
25 record shall include the following information:

26 (a) The location of the property within the state and county,  
27 the size of the property, including its acreage, and any other  
28 relevant property data.

29 (b) The date of acquisition of the real property, if available.

30 (c) The manner in which the property was acquired and the  
31 purchase price, if available.

32 (d) A description of the current uses of the property and any  
33 projected future uses, if available.

34 (e) A concise description of each major structure on the  
35 property.

36 SEC. 3. Title 15.7 (commencing with Section 97500) is  
37 added to the Government Code, to read:

1 TITLE 15.7. COMMISSION ON ASSET REVIEW AND  
2 DIVESTITURE

3  
4 97500. (a) The Commission on Asset Review and  
5 Divestiture is hereby established in state government.

6 ~~(b) (1) The commission shall consist of 12 members, to be~~  
7 ~~appointed as follows:~~

8 ~~(A) Eight members appointed by the Governor. The Governor~~

9 ~~(b) The commission shall consist of 12 members, as follows:~~

10 ~~(1) The Secretary of Business, Transportation and Housing,~~  
11 ~~the Secretary of State and Consumer Services, and the Director~~  
12 ~~of Finance, or their designees, who shall serve as ex officio~~  
13 ~~members.~~

14 ~~(2) (A) Five members appointed by the Governor and~~  
15 ~~confirmed by the Senate, consisting of the following:~~

16 ~~(i) A representative of the private sector with professional~~  
17 ~~experience in business management and finance.~~

18 ~~(ii) A representative of the private sector with professional~~  
19 ~~experience in real estate or redevelopment, or both.~~

20 ~~(iii) A representative of the private sector with professional~~  
21 ~~experience in environmental protection.~~

22 ~~(iv) Two members chosen at the Governor's discretion.~~

23 ~~(B) The Governor shall designate a chairperson from these~~  
24 ~~appointees.~~

25 ~~(B)–~~

26 ~~(3) One member appointed by the President pro Tempore of~~  
27 ~~the Senate, and one member appointed by the Senate Minority~~  
28 ~~Leader.~~

29 ~~(C)–~~

30 ~~(4) One member appointed by the Speaker of the Assembly,~~  
31 ~~and one member appointed by the Assembly Minority Leader.~~

32 ~~(2) Appointees shall be subject to confirmation by the Senate.~~

33 (c) Members shall serve four-year terms, with the initial  
34 membership to be appointed no later than December 31, 2006  
35 2008.

36 (d) Members of the commission shall serve without  
37 compensation, but shall be reimbursed for reasonable and  
38 necessary travel expenses.

1 (e) *Meetings of the commission shall be subject to Article 9*  
2 *(commencing with Section 11120) of Chapter 1 of Part 1 of*  
3 *Division 3 of Title 2.*

4 (f) The Director of General Services shall provide staff support  
5 to the commission.

6 97501. (a) In every odd-numbered year, the commission  
7 shall review the inventory of real property prepared pursuant to  
8 Sections 11011.15 and 11011.18, according to the following  
9 criteria:

10 (1) The core mission of state government and impacts on  
11 service delivery.

12 (2) The availability and condition of land and facilities.

13 (3) The potential to relocate core functions elsewhere within  
14 state government.

15 (4) The extent and timing of potential cost savings, including  
16 whether the total cost savings from divestiture will, by the end of  
17 a six-year period after divestiture, exceed the amount expended  
18 in the divestiture.

19 (5) The extent and timing of potential cost savings from  
20 alternative ownership arrangements for existing property, such as  
21 private sector leaseback arrangements, or from renegotiation of  
22 leases, redevelopment of property, or relocation, among other  
23 strategies.

24 (6) The economic impact of divestiture on the community  
25 where the property is located.

26 (7) The environmental impact of divestiture of the property.

27 (b) State agencies shall cooperate with any request for  
28 information made by the commission in carrying out its review.

29 97502. The commission shall report its findings, along with  
30 recommendations as to property to be divested, to the  
31 Legislature, to the Department of General Services, and with  
32 respect to property owned by, or under the jurisdiction or held for  
33 the benefit of, the University of California, to the Regents of the  
34 University of California, no later than December 31 of every  
35 even-numbered year.

36 97503. (a) Notwithstanding any other provision of law, the  
37 Department of General Services shall ~~divest~~ *begin the process of*  
38 *divestiture of* property pursuant to the recommendations of the  
39 commission, ~~commencing~~ *no later than 90 calendar days after*

1 the commission has submitted its recommendations to the  
2 Legislature and the department.

3 (b) This section shall not apply to property owned by, or under  
4 the jurisdiction or held for the benefit of, the University of  
5 California.

6 97504. (a) It is the intent of the Legislature that the proceeds  
7 of any sale or other divestiture under this title of property funded  
8 from any source subject to statutory or constitutional restriction,  
9 be subject to that same restriction.

10 (b) (1) It is the intent of the Legislature that the proceeds of  
11 any sale or other divestiture under this title of property funded  
12 from any General Fund source not subject to statutory or  
13 constitutional restriction, be deposited into the Fiscal Recovery  
14 Fund established pursuant to Section 99008 and continuously  
15 appropriated pursuant to Section 99072, for payment of sums  
16 described in subdivision (a) of Section 99072.

17 (2) It is the intent of the Legislature that, upon the notification  
18 by the Director of Finance described in subdivision (b) of Section  
19 99006, proceeds of any sale or other divestiture described in  
20 paragraph (1) be deposited in the General Fund.